- State Governments would be required to follow a transparent procedure for awarding potential sites to-the private sector.
- In order to enable the project developer to recover the costs incurred by him in obtaining the projects site, merchant sale of up to a maximum of 40% of the saleable energy has been allowed. Projects that do not conform to the prescribed time lines would, however, lose this incentive of merchant sales in agraded manner.
- An additional 1 % free power over and above 12% will be earmarked for a Local Area Development Fund aimed at providing a regular stream of revenue for income generation, infrastructure creation and welfare schemes in the affected areas.
- Each project affected family (PAF) will get 100 units of electricity every month for a period of 10 years free of charge.

(c) The power generation from hydro projects depend on the rainfall in the catchment area, amount of snowmelt, carryover storage in the reservoirs and availability of machines. During 2006-07, Hydro Power Generation was 1,13,358.77 MU against a target of 1,01,000 MU. During 11th Plan hydro capacity of 16,553 MW is proposed to be added and it is expected that by the end of 11th Plan, the total installed hydro capacity in the country would be about 51,207 **MW.**

**Grants-in-Aid for Hydro Electric Projects**

1024. SHRI JANARDHANA POOJARY: Will the Minister of POWER be pleased to state:

(a) whether grants-in-aid is released to State Governments for augmenting hydroelectric power and strengthening distribution lines;

(b) whether only limited hydro-electric power is generated from Mahatma Gandhi Hydro Electric Station in Jog area in Karnataka, owing to weak transmission lines;

(c) whether this is leading to acute power shortage in Dakshin Kannada and Uduppi districts of Karnataka;

(d) whether the agency, assigned the job of strengthening the distribution lines, is unable to deliver;

(e) whether, as a result, time and cost overruns in strengthening the power distributions lines in the Jog area, are being incurred; and

(f) if so, the details thereof and Centre's response thereto?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (f) The requisite information is being collected from the State Government of Karnataka. The information will be laid on the Table of the House on its receipt.

**Assistance under RGGVY to karnataka**

1025. SHRI RAJEEV CHANDRASEKHAR: SHRI JANARDHANA POOJARY:

Will the Minister of POWER be pleased to state:

(a) whether Central Government has approved and sanctioned assistance to the Karnataka Government for providing benefit under RGGVY to the rural and BPL householders in 17 districts of the State;